

Minutes of the meeting of the Finance Committee of the Board of Directors of the Cook County Health and Hospitals System held Monday, November 23, 2009 at the hour of 7:30 A.M. at John H. Stroger, Jr. Hospital of Cook County, 1901 W. Harrison Street, in the fifth floor conference room, Chicago, Illinois.

Note: this meeting was held jointly with the Human Resources Committee, in order to conduct joint discussions within both Committees for Items III(A) and III(B).

I. Attendance/Call to Order

Acting Chairman Golden called the meeting to order at 7:42 A.M.

Present: Directors Quin R. Golden; Luis Muñoz, MD, MPH and Heather O'Donnell, JD, LLM (3)
Chairman of the Board Warren L. Batts (Ex-Officio) and Directors Hon. Jerry Butler; Sister Sheila Lyne, RSM; and Andrea L. Zopp,

Present
telephonically: Chairman David Carvalho (1)

Absent: Director Jorge Ramirez (1)

Acting Chairman Golden stated that Chairman Carvalho was unable to be physically present, but would like to participate in the meeting telephonically.

Chairman Carvalho indicated his presence telephonically.

Acting Chairman Golden, seconded by Director Muñoz, moved to allow Chairman Carvalho to participate as a voting member for this Committee meeting telephonically. THE MOTION CARRIED UNANIMOUSLY.

Chairman Carvalho assumed the Chair.

Additional attendees and/or presenters were:

Michael Ayres
James D'Amico
Karen Dimond
Patrick T. Driscoll, Jr.

William T. Foley
Jeanene Johnson
Randolph Johnston
Elizabeth Reidy

Deborah Santana
Anthony J. Tedeschi, MD, MPH, MBA

II. Public Speakers

The Secretary called upon the following registered public speaker:

1. George Blakemore Concerned Citizen

III. Recommendations, Discussion/Information Items

A. CCHHS trades and engineers' consolidation with the Cook County Department of Facilities Management

James D'Amico, Director of the Cook County Department of Facilities Management, presented information on a proposal to consolidate the System trades and engineers within the System. It was noted that previous presentations included a proposal to consolidate these services and positions under the County's Department of Facilities Management; that proposal was revised in order for the System to potentially realize savings and efficiencies, while still maintaining these services and positions within the System. Currently, System trades and engineers are housed at the separate affiliates, and as a result are not able to be temporarily transferred to other areas if their services are needed elsewhere in the System.

III. Recommendations, Discussion/Information Items**A. CCHHS trades and engineers' consolidation with the Cook County Department of Facilities Management (continued)**

During the discussion of the information, Director Zopp clarified that, should the System choose to consolidate these services in-house, this action would take place at the System, not at the County. Mr. Foley responded affirmatively, and stated that that consolidation of these services within the System is something they are committed to doing. Mr. Foley noted that in Mr. D'Amico's previous presentation, consolidation within the System was presented as an option.

The Committee discussed the budgetary amendment recently passed by the Cook County Board which transferred twenty-one trades/engineers positions from the System to the County's Department of Facilities Management. Mr. Foley informed the Committee that the original amendment recommended that the System fund this transfer, which totalled \$1.4 million. However, Mr. Foley explained to the County Board at that time that the proposed System budget did not include those positions, because these positions were part of the reduction in force. Therefore, the amendment was revised and the funding for the transfer was found elsewhere.

During the discussion of existing human resource functions for the System's trades and engineers, it was stated that the County's Department of Facilities Management is responsible for these functions. In response to Director O'Donnell's question regarding whether the System can bring that function in-house, Dr. Anthony Tedeschi, Interim Chief Operating Officer, responded that the System will have that ability in the future.

The Committee discussed the subject of trades and engineers at Cermak Health Services. Mr. D'Amico stated that the System doesn't have any of their trades working at Cermak; Cook County's tradespeople are sent to provide these services at Cermak.

B. Draft Request for Proposals (RFP) for professional services relating to performance improvement plan implementation

Jeanene Johnson, Director of the Office of Performance Improvement, presented information on the draft RFP for professional services relating to performance improvement plan implementation (Attachment #1). Additionally, she reviewed the quality assurance process that will be put into place once the contractor is selected, so their work can be evaluated during the course of their implementation effort.

The Committee reviewed and discussed the information.

In response to Director Zopp's question regarding whether the implementation includes the training of staff, so that when the consultant leaves, the training, management and productivity remains, Ms. Johnson responded affirmatively.

In response to Board Chairman Batts' question regarding whether contract compliance efforts can be tracked, Dr. Tedeschi responded affirmatively, stating that next month, there will be a report available on that subject.

Director Lyne referenced the warehouses that are currently being leased for storage. Mr. Foley noted that this subject is a performance improvement-related goal. The cost to lease this space is significant; if the inventory is being managed correctly, there should be no need for warehouse space.

III. Recommendations, Discussion/Information Items

B. Draft Request for Proposals (RFP) for professional services relating to performance improvement plan implementation (continued)

Director O'Donnell inquired regarding the Lawson system, and the work being performed by ACS. She stated that she doesn't want duplicative efforts. Dr. Tedeschi stated that the Lawson implementation is a part of this; it will all be integrated. At the back end of the Lawson processes and implementation is the rolling-out through the organization, so the supply chain can be managed all the way down to the patient. He added that he is confident that it will interface well with them, and stated that a great deal of time was spent ensuring that there would not be duplicative efforts.

Ms. Johnson provided information on the evaluation process for the RFP, including information on the composition of the reviewing committee. Director Lyne stated that it is her experience that it can be beneficial to include individuals outside of senior or executive-level staff in the reviewing committees.

C. Miscellaneous

In response to a request from Chairman Carvalho, Mr. Foley provided an update on the subject of contract compliance. He stated that Betty Hancock Perry, Director of the County's Office of Contract Compliance, has been invited to the December 18th System Board meeting to give an overview of her department.

Mr. Foley stated that Chairman Carvalho inquired whether the System is going to continue to depend on the County's Office of Contract Compliance, or whether there a plan to move this function into the System. Dr. Tedeschi responded that there is a plan to move this function to the System; it will take some time to prepare for this, in order to ensure that processes are in place for a smooth transition, but he expects this to occur sometime in 2010.

Chairman Carvalho stated that he posed the question not because he has issues with the way contracts are processed currently, but as a general principle, if the System is to be truly independent, they should be independent of the County processes.

IV. Action Items

A. Any items listed under Section III

V. Adjourn

Director Muñoz, seconded by Director Golden, moved to adjourn. THE MOTION CARRIED UNANIMOUSLY AND THE MEETING ADJOURNED.

Respectfully submitted,
Finance Committee of the Board of Directors of the
Cook County Health and Hospitals System

XXXXXXXXXXXXXXXXXXXXXXX
David Carvalho, Chairman

Attest:

XXXXXXXXXXXXXXXXXXXXXXX
Deborah Santana, Secretary

Cook County Health and Hospitals System
Minutes of the Finance Committee Meeting
November 23, 2009

ATTACHMENT #1



Select Performance Improvement Advisory Services RFP Executive Summary

Finance Committee

November 23, 2009

Agenda

- Historical Perspective
- Request for Proposal Scope Summary
- Detailed Initiative Summaries
- Evaluation and Approval Process
- Timeline
- Quality Review

Historical Perspective

- Navigant Consulting completed their assessment of CCHHS excluding CORE and Cermak, September 2009 identifying a range of opportunities between \$65-\$72 million
 - ✓ Labor and Productivity
 - ✓ Case Management
 - ✓ Supply Chain Management
 - ✓ Physician and Mid-level Productivity
- Because of the magnitude of opportunity and potential fees, CCHHS has chosen to solicit proposal via an RFP process

Request for Proposal Scope Summary

- Labor and Productivity/Workforce Efficiency
- Supply Chain Performance Improvement
- Specialized Pharmacy Billing
- ACHN Clinic Operations and Physician Work Effort
- Physician Effort and Funding



Labor and Productivity/Workforce Efficiency

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|------------------------------------|---|
| Scope | All operating entities within CCHHS (non-physicians) |
| Benefit Target | <ul style="list-style-type: none">• \$31 million |
| Advisory Services Requested | <ul style="list-style-type: none">• System-wide and department-level, bi-monthly productivity monitoring system against benchmarks• Productivity accountability tool development• “Best Practice” workforce policies• Position and hours of work tracking• Overtime and outside agency staff reduction• Staff education and paring in use of productivity tools, policies, staffing, management reporting and data analysis, Solucient data retrieval, analysis and benchmarking• Advisory services with new timekeeping system (policy, reporting, tracking)• Rebuild Solucient reporting process• Subject matter experts in Human Resources, Nursing, Laboratory and Emergency Services |



Supply Chain Performance Improvement

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|------------------------------------|---|
| Scope | CCHHS purchasing processes must be consistent with the Cook County Purchasing Ordinance |
| Benefit Target | <ul style="list-style-type: none">• \$17-\$23 million |
| Advisory Services Requested | <ul style="list-style-type: none">• Contract analysis, RFP process, supplier negotiation, contract validation• Contracts at industry “best practice” price points• Custom contract agreements for aggressive cost reductions• Organizational structure• Close-off off site warehouses• “Best practice” for Lawson materials management implementation• Manager education on “best practice” contract management and GPO• Infrastructure for supporting purchasing and materials distribution• Conversion of product and service agreements where appropriate to UHC/Novation• “Best Practices” to buyers, managers and designated employees• Cost savings for: clinical engineering, Perioperative Services, Orthopedics, paper, distribution agreements and other prioritized area• Physician and clinical resource modification/standardization• Negotiated contract enforcement with accounts payable and purchasing |



Specialized Pharmacy Billing

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|------------------------------------|---|
| Scope | All Outpatient Pharmacy charge capture, billing and accounts receivable management |
| Benefit Target | <ul style="list-style-type: none">• To be developed |
| Advisory Services Requested | <ul style="list-style-type: none">• Internal policies, systems and processes that would adjudicate claims in real time with the current computer system• Collection of co-pays, check eligibility, process and correct claim rejections• Verify claim payments and post revenues received |

Implementation Support for ACHN

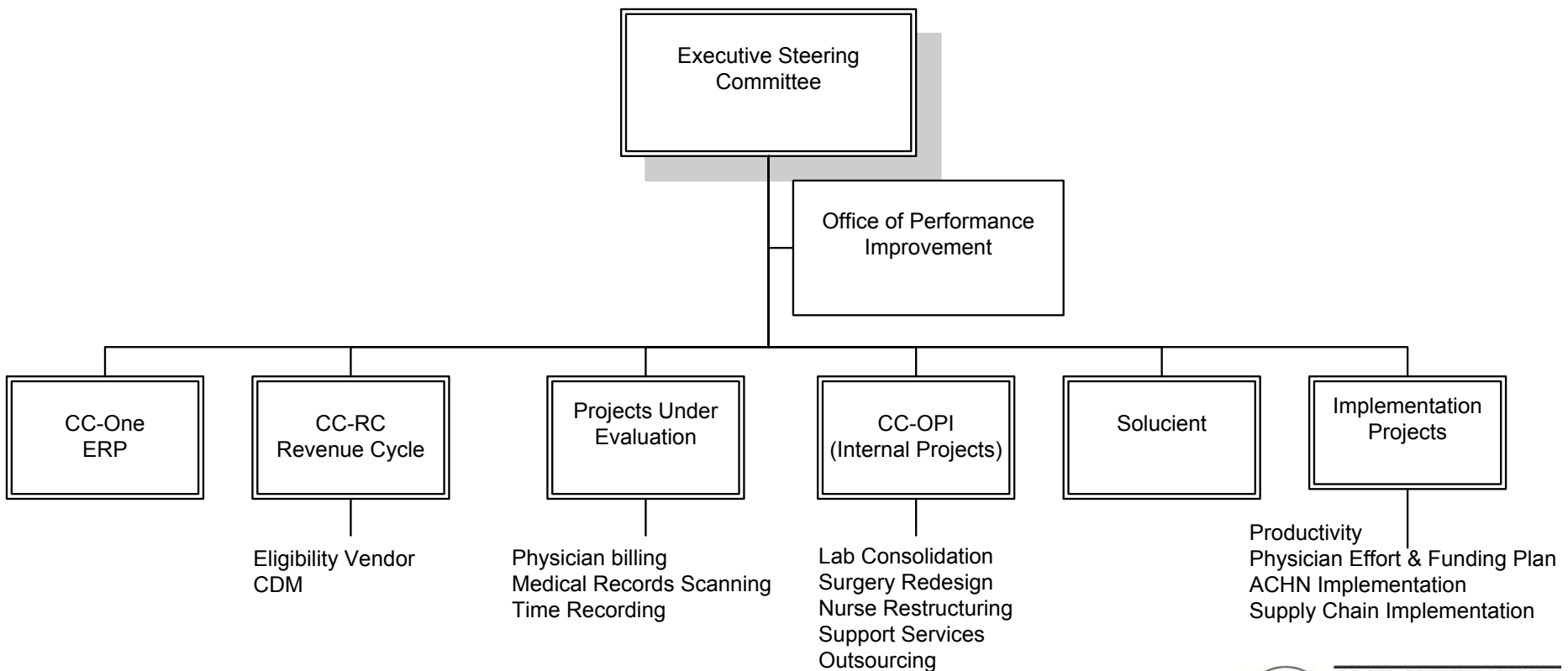
| | |
|------------------------------------|--|
| Scope | Ambulatory and Community Health Network (“ACHN”) |
| Benefit Target | <ul style="list-style-type: none">• Implementation Support for ACHN and “Physician Effort and Funding Plan” when combined, are expected to yield a benefit target of \$13.8 million |
| Advisory Services Requested | <ul style="list-style-type: none">• Operating Policy/Procedures• Workforce benchmarking• Access• Patient flow/throughput• Provider capacity and productivity• Revenue Cycle working with MedAssets• Medical Home Model |

Physician Effort and Funding Initiative

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|------------------------------------|--|
| Scope | Navigant Finance Executive, Physician Executive and Analyst |
| Benefit Target | <ul style="list-style-type: none">• Implementation Support for ACHN and “Physician Effort and Funding Plan” when combined, are expected to yield a benefit target of \$13.8 million |
| Advisory Services Requested | <ul style="list-style-type: none">• Productivity goals for clinical all physicians and faculty• Optimum level of FTE faculty to residents• Physician administrative roles and responsibilities• Source and identify use of funds and categories; recommend “best practices for research, teaching and strategic purposes.• Recommendations for additions/reductions for research , teaching and strategic purposes |

Project Management

Advisory services requested by this RFP will be managed internally by the Office of Performance Improvement. Proposer are requested to exclude any project management staffing from their proposals.



Evaluation and Approval Process

Greater weight will be given to the PROPOSER who can provide a comprehensive response to the RFP addressing all Services requested rather than a segment or portion of the Services requested

Criteria for Evaluation

- Demonstrated knowledge, experience and expertise in providing the Services
- Reasonableness and competitiveness of fees/costs for Services
- Thoroughness of methodology with an emphasis on coaching/pairing with CCHHS staff
- Sufficient qualified advisory staff with public, teaching hospital
- Ability to provide additional value based on PROPOSER's advisory capabilities specific to the healthcare industry outside the scope of traditional turnaround work

Evaluation and Approval Process

Criteria for Evaluation continued

- References that demonstrate sustainable gains following conclusion of the advisory services (including the quality of references and the level of satisfaction of present and former clients)
- Depth of approach and work plans to perform the services required by scope of work
- Responsiveness to and conformity with the General Conditions,
- CCHHS's return on investment ("ROI") of professional fees to implemented benefit

Evaluation and Approval Process



Timeline

| | November | | | | December | | | | January | | | | February | | | | March | | | |
|--|----------|---|---|---|----------|---|---|---|---------|---|---|---|----------|---|---|---|-------|---|---|---|
| | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 | 1 | 2 | 3 | 4 |
| Release RFP (Nov.18) | | X | | | | | | | | | | | | | | | | | | |
| Registration Forms Due (Dec. 4) | | | | | X | | | | | | | | | | | | | | | |
| Due Date for Proposals (Dec. 21) | | | | | | | X | | | | | | | | | | | | | |
| CCHHS Opening of Proposals (Dec. 22) | | | | | | | X | | | | | | | | | | | | | |
| Management Evaluation of Proposals (Dec. 22- Jan. 20) | | | | | | | | | | | | | | | | | | | | |
| Notification to Proposers of Selection /Elimination (Jan. 20) | | | | | | | | | | | X | | | | | | | | | |
| Contract Negotiations (Jan 20 to Feb 26 or Mar 26) | | | | | | | | | | | | | | | | | | | | |
| Board Approval of Contract (Feb 26 OR Mar 26) | | | | | | | | | | | | | | | | X | | | | X |
| Potential Contractor Start Date (March) | | | | | | | | | | | | | | | | | | | | |

Note:

The contract could be approved as early as February 26 or as late as March 26, 2010 depending upon contract negotiations and contract compliance processes

Quality Assurance Process

Periodic quality assurance reviews will be conducted by CCHHS management and staff and/or other personnel who are not directly involved with the Project. While the content of each review will depend on the nature of the Project work being performed at the time, each review will focus on developing affirmative responses to the following questions:

- Demonstrated knowledge, experience and expertise in providing the Services
- Reasonableness and competitiveness of fees/costs for Services
- Thoroughness of methodology with an emphasis on coaching/pairing with CCHHS staff
- Sufficient qualified advisory staff with public, teaching hospital
- Ability to provide additional value based on PROPOSER's advisory capabilities specific to the healthcare industry outside the scope of traditional turnaround work

Questions ???

- Labor and Productivity/Workforce Efficiency
- Supply Chain Performance Improvement
- Specialized Pharmacy Billing
- ACHN Clinic Operations and Physician Work Effort
- Physician Effort and Funding

